



September 24, 2007

Robert Sydney
Mass Division of Energy Resources
100 Cambridge Street
Suite 1020
Boston, MA 02114

Nicholas Bianco
MassDEP
One Winter Street
6th Floor
Boston, MA 02108

Re: Comments on 310 CMR 7.70, 310 CMR 7.29, 310 CMR 7.00 Appendix B(7), and 225 CMR 13.00

Dear Mr. Sydney and Mr. Bianco,

Thank you for the opportunity to comment on the above regulations.

The Environment Massachusetts Research and Policy Center strongly supports action to reduce global warming pollution from sources in Massachusetts and the region. We applaud the Massachusetts Department of Environmental Protection (DEP), the Division of Energy Resources (DOER), and the Patrick Administration for signing on to the Regional Greenhouse Gas Initiative (RGGI) and for being the first state to propose regulations to implement that Initiative.

As we have said in other forums, solving global warming has to be one of the Commonwealth's top priorities in the coming years. And RGGI is an important tool to begin to reduce climate-changing pollution from power plants. As we have also said, it is only one among many tools that we will need to use. In order to avoid the worst impacts of global warming – the highest sea level rise, the most severe and damaging storms, the worst heat waves, the greatest number of species extinctions – we need to reduce emissions approximately 80% by 2050, and 20% by 2020. That will require deep pollution reductions from every sector, including power plants, transportation, and more.

In that context, and in the absence of federal action, immediate state and regional action is imperative. So we strongly support the adoption of a market-based cap-and-trade system for

regulating global warming pollution from the power sector; and we support implementing that cap-and-trade system at the regional level. Given the dire consequences of global warming, and the frightening pace at which its impacts are beginning to appear in our daily lives, it is crucial that the Commonwealth move forward with swift adoption of strong regulations that finalize the RGGI program. We cannot afford or tolerate any delay.

One of the most important aspects of the program is the auction of pollution permits and the dedication of that revenue. The Environment Massachusetts Research and Policy Center strongly supports the findings of the report, “Cleaner, Cheaper, Smarter,” recently released by the US Public Interest Research Group (<http://www.uspirg.org/home/reports/report-archives/global-warming-solutions/global-warming-solutions/cleaner-cheaper-smarter-the-case-for-auctioning-pollution-allowances-in-a-global-warming-cap-and-trade-program>). Specifically, we applaud the Commonwealth’s decision to auction all of the pollution permits, in order to send proper signals to the market, and in order to guarantee efficient operation of the market. (We support provisions for retiring allowances for the voluntary renewable energy market.) We also support spending the revenue (a) in the electricity sector (ratepayer money ought to stay with the ratepayers), and (b) on programs that gain the greatest reductions in global warming pollution at the lowest cost. The Commonwealth ought to ensure that we are tapping all cost-effective energy efficiency programs before looking at any other ways to spend RGGI auction revenue. The Commonwealth also ought to ensure that RGGI revenues are spent quickly and efficiently, and with strong oversight from representatives of the public.

The Environment Massachusetts Research and Policy Center strongly supports bold and comprehensive climate policies that will enable us to avoid the worst impacts of global warming. This includes capping all global warming pollution at 20% below 1990 levels by 2020 and 80% below 1990 levels by 2050. It includes adopting a suite of smart clean energy and climate policies (such as RGGI) that will enable us to hit those targets. It includes planning to ensure that we hit those targets. It also includes planning to ensure that human communities and natural ecosystems are able to adapt to any climate changes that are already “locked-in” as a result of global warming pollution. Our view is that planning for adaptation, and actual adaptation projects and programs, should be funded through clear, dedicated and direct funding mechanisms such as line items in the annual state operating budget and the upcoming environmental bond, not through a misappropriation of RGGI revenue.

As noted above, ratepayer money from the RGGI program ought to be spent on things that directly benefit ratepayers, especially as long as there are cost-effective energy efficiency measures on the table that will reduce emissions while lowering total energy bills. Adapting to the impacts of global warming that are already underway will be a large and complex challenge. We are only going to build sufficient public support for the scale of adaptation that is needed if we engage the public in an open discussion of the issue on its own terms and merits. Worse, we risk undermining public support for action to mitigate *or* adapt to global warming by, at the last minute, tucking major policy changes into regulations on discrete public policies that have already been widely debated. Finally, it is at best questionable whether spending on adaptation would be allowed by the regional Memorandum of Understanding signed by Governor Patrick entering the Commonwealth into the Regional Greenhouse Gas Initiative.

We appreciate the opportunity to comment on these regulations, and look forward to working with DEP and DOER on this and other initiatives to tackle global warming in the coming months and years.

Sincerely,

Frank Gorke
Director